

1999 ASSEMBLY BILL 471

September 16, 1999 – Introduced by Representatives SCHOOFF, KRUG, RILEY, BALOW, RYBA, SYKORA, PLALE, RICHARDS, PLOUFF, SERATTI, MILLER, J. LEHMAN, SINICKI, HASENOHRL, LASSA, HUBER, POCAN, STASKUNAS, GRONEMUS, TURNER, COGGS, BOCK, CARPENTER, BLACK, BOYLE, KREUSER, YOUNG, BERCEAU and WAUKAU, cosponsored by Senators CLAUSING, ROBSON, DRZEWIECKI, ERPENBACH, SCHULTZ and WIRCH. Referred to Committee on Small Business and Economic Development.

- 1 **AN ACT *to repeal and recreate*** 20.143 (1) (c); and ***to create*** 20.143 (1) (Lm) and
2 560.155 of the statutes; **relating to:** providing financial assistance to small
3 businesses for training employes and making an appropriation.

Analysis by the Legislative Reference Bureau

The department of commerce administers a number of grant and loan programs under current law, providing incentives and assistance to businesses and other persons related to technology, employment, environmental remediation and business and other economic development. Many of these programs are funded from a general purpose revenue appropriation known as the Wisconsin development fund. This bill creates a new financial assistance program called the business employes' skills training financial assistance program, to be funded from the Wisconsin development fund.

Under the program, the department of commerce may award financial assistance, not exceeding \$10,000 and consisting of one-half grant and one-half loan, to a business that has no more than 35 full-time employes or that has no more than \$2,500,000 in gross annual income. A business that receives financial assistance must use it to provide skills training or other education related to its business needs to current or prospective employes. Before providing the skills training or other education to a current or prospective employe, the business and employe must enter into an agreement under which the business agrees to retain the employe, and the employe agrees to work for the business, for at least one year after the training or other education is completed. The business is required to submit a

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plan to the department of commerce that details the business's proposed use for the financial assistance and, within six months after the proceeds are spent, to submit a report to the department on the actual use of the proceeds. In awarding the financial assistance, the department of commerce must give preference to businesses in industries with especially severe labor shortages and must consult with the department of workforce development to determine which industries those are.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

				1999-00	2000-01
20.143 Commerce, department of					
(1) ECONOMIC AND COMMUNITY DEVELOPMENT					
(Lm) Business employees' skills training financial assistance; repayments					
	PR	C		-0-	-0-

SECTION 2. 20.143 (1) (c) of the statutes, as affected by 1997 Wisconsin Act 237, section 24, and 1997 Wisconsin Act 310, section 1c, is repealed and recreated to read:

20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements and assistance.* Biennially, the amounts in the schedule for grants under ss. 560.145, 560.16 and 560.615; for grants and loans under ss. 560.62, 560.63 and 560.66; for loans under s. 560.147; for reimbursements under s. 560.167; and for providing assistance under ss. 560.06 and 560.155. Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal years 1997-98 and 1998-99 for providing the assistance under s. 560.06. Notwithstanding s. 560.62 (4), of the amounts in the

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1 schedule, \$125,000 shall be allocated in each of 4 consecutive fiscal years, beginning
2 with fiscal year 1998–99, for grants and loans under s. 560.62 (1) (a).

3 **SECTION 3.** 20.143 (1) (Lm) of the statutes is created to read:

4 20.143 **(1)** (Lm) *Business employees' skills training financial assistance;*
5 *repayments.* All moneys received in repayment of loans under s. 560.155 for financial
6 assistance under s. 560.155.

7 **SECTION 4.** 560.155 of the statutes is created to read:

8 **560.155 Business employees' skills training financial assistance**
9 **program. (1)** From the appropriations under s. 20.143 (1) (c) and (Lm), the
10 department may award financial assistance as provided in sub. (2) to a business if
11 all of the following apply:

12 (a) The business is located in this state and satisfies any of the following
13 criteria:

14 1. The business has no more than 35 full–time employees.

15 2. The business had no more than \$2,500,000 in gross annual income in the
16 year preceding the year in which the business receives the financial assistance.

17 (b) The business uses the financial assistance to provide skills training or other
18 education related to the needs of the business to current or prospective employees of
19 the business.

20 (c) The business submits a plan to the department detailing the proposed use
21 of the financial assistance and the secretary approves the plan.

22 (d) The business enters into a written agreement with the department that
23 specifies the conditions for the use of the financial assistance, including reporting,
24 auditing and repayment requirements.

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(e) The business agrees in writing that, before providing training or other education to a current or prospective employee with the financial assistance, it will enter into a contract with the employee under which the business agrees to retain the employee, and the employee agrees to work for the business, for at least one year after the employee's training or education is completed.

(f) The business agrees in writing to submit to the department the report required under sub. (3) by the time required under sub. (3).

(2) (a) The department may not award a business more than \$10,000 in financial assistance under this section. One-half of the amount awarded to a business shall be a grant and one-half shall be a loan.

(b) In awarding financial assistance under this section, the department shall give preference to businesses in industries with especially severe labor shortages. The department shall consult with the department of workforce development to determine which industries are experiencing severe labor shortages.

(c) The department may not award more than \$2,000,000 in a fiscal biennium in financial assistance under this section.

(3) A business that receives financial assistance under this section shall submit to the department, within 6 months after spending the full amount of the proceeds, a report detailing how the proceeds were used.

(END)